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Bureau of City Inquiry
(New York, N.Y.)

Again the city pays

[New York]

1917

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AGAIN
THE CITY PAYS

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How William H. Reynolds,
the Mayor's Friend, Turns
His Dreamland Failure Into a
\$1,360,000 Success at the
Taxpayers' Expense

BUREAU OF CITY INQUIRY
1917

BUREAU OF CITY INQUIRY, 87 NASSAU STREET,
NEW YORK, MAY 11, 1917.

HON. CHARLES S. WHITMAN,
GOVERNOR, STATE OF NEW YORK.

Sir:

On February 17, 1917, I submitted to you a report of the Bureau of City Inquiry on the purchase of Rockaway Park by The City of New York. The report revealed, among other things, a profit of 2,400 per cent. made by the Neponsit Realty Company on forty-seven acres obtained from the State and included in the park sold to the city.

In a communication accompanying the report I stated the report on its face appeared to bear proof of conspiracy to defraud both the State and the city, and requested investigation of the Rockaway Park purchase, together with other land deals with the city.

I now beg to submit a report of the Bureau of City Inquiry on the city's purchase, still uncompleted after six years, of Dreamland Park.

With this report I renew my request to you for an investigation of the Rockaway Park, Dreamland Park and other land purchases by The City of New York, all from a group of Brooklyn land speculators of which William H. Reynolds is the head, and with whom Frank Bailey, William M. Greve and Clifford S. Kelsey are associated as principals.

I renew this request for the reason that John Purroy Mitchel, at present Mayor of the City, and William A. Prendergast, Comptroller, are responsible, by their official acts, as special committeemen and members of the Board of Estimate and Apportionment, for the city's part in the Rockaway Park, Dreamland Park and other land deals, and that there is no ground for hope of an official investigation by any constituted city office, such as the Commissioner of Accounts. Furthermore, both the Mayor and the Comptroller have repeatedly reiterated in public their support of the city land deals in which William H. Reynolds has been involved.

The bare facts show that the Senate, the Assembly, State and City officials have acted in furtherance of Reynolds' land schemes over a number of years.

In 1906, when Reynolds was threatened with a real estate failure at Long Beach, Long Island, the State Legislature enacted a bill empowering the city to buy his Long Beach property for a seaside park; this notwithstanding the fact Long Beach lies in a county outside the city limits. This unique law is in the statute books as Chapter 456 of the Laws of 1906.

When Reynolds failed to have the then city officials buy Long Beach, his friends and business associates, Greve and Kelsey, turned up as the owners of the Rockaway Park property, which property was the only alternative for the seaside park then

to be acquired by the city. In this Rockaway Park purchase Frank Bailey was financially interested and Reynolds himself testified for Greve and Kelsey. On reports and recommendations by John Purroy Mitchel and William A. Prendergast, at present the chief officials of the city, this Rockaway Park purchase, involving in one detail a 2,400 per cent. profit, was consummated.

By means of a joker in a Legislative act, and finally by means of a unanimous vote of the State Land Commissioners, the property on which this 2,400 per cent. profit was made was turned over by the State to Greve, Kelsey, etc. Otherwise the property would have gone free of cost to the city. The joker is in the statute books as Chapter 568 of the Laws of 1909. The unanimous vote of the State Land Commissioners is in the minutes of the commission for the year 1909.

When the city in 1911 wanted land in connection with the South Brooklyn Marginal Railroad, Reynolds turned up as the owner of that land. Recommendation for its purchase also was made by John Purroy Mitchel and William A. Prendergast. This land Reynolds acquired through four dummies, obtaining possession of the last of it ten days before the city took its first official step or action to acquire the same. The prices paid by Reynolds were from 35½ to 60 cents a square foot. On the further recommendation of John Purroy Mitchel and William A. Prendergast the city took an option on this land at \$1.30 a square foot.

The report I now submit reveals the same gross irregularities in the case of the Dreamland Park purchase as in the case of the Rockaway Park and South Brooklyn transactions. The report quotes testimony by Reynolds in which he admits misrepresentation to the city; it shows John Purroy Mitchel and William A. Prendergast rejecting the opinion of the Chief Engineer of the city; it shows the city at present committed by option to pay Reynolds \$1,360,000 for property, which cost him \$457,500; it shows Reynolds, after six years of delays, profiting still further to the extent of \$1,153.86 every week. These are a few of many such facts revealed in the report.

It is a matter of public right that all facts in regard to William H. Reynolds' land deals with the city be fully and finally uncovered and placed on official record. A searching and complete official investigation of all these transactions is necessary in the cause of just and good government. The known facts are of a nature demanding the full truth, irrespective of any question of political expediency, and apart from the fact that the official aid in these transactions has come to him from so-called reformers, placed in high office and supported there by leaders in the public and private life of the city.

Respectfully,
(Signed) WILLIAM BULLOCK,
Director.

THE REPORT SENT TO THE GOVERNOR:

William H. Reynolds today has a bill for \$360,000 in interest against the City on account of the uncompleted purchase of his Dreamland Park, and the total is increasing \$1,153.86 every week.

The City, by an option from Reynolds, has been paying him 6 per cent. interest since August 1, 1911. In six years the final price has not been decided. It appears the exact price will not be fixed for two or more years, and for all that time the City must pay Reynolds interest, this in addition to the purchase price.

Already the interest cost to the City alone exceeds the assessed valuation of the land being bought from Reynolds. The assessed total is \$340,000, as against the present interest bill of \$360,000. Moreover, the interest cost is growing \$60,000 a year.

On top of all this the City's option on the Reynolds property is \$1,000,000. The Commissioners on Award at present sitting may decide on more or less than this sum, but whatever their decision may be the City must pay Reynolds 6 per cent. interest on the total purchase price for from six to eight years.

Receiving 6 per cent. interest from the City on the \$1,000,000 option gives Reynolds 13 per cent. on the \$457,500 he paid for the property.

REYNOLDS PAID \$457,500 AND GETS \$1,758,000.

The Dreamland property being taken by the City cost Reynolds \$457,500. Reynolds himself, when asking for decreased taxes, swore he had paid an "exorbitant price." He further testified the property had not increased in value, this testimony being given by him only three months before the City took its option.

Yet the City's option, with interest, would give Reynolds \$1,360,000 for the property today, or four times the assessed value. In addition to this, Reynolds already has \$398,000 for fire insurance collected following the Dreamland fire, making a total of \$1,758,000.

A second Commission on Award now is taking testimony on Dreamland. In more than a year this Commission has not heard all of Reynolds' witnesses, and not one City witness has testified. It took the first Commission more than three years to make its award of \$1,014,602.32, which award was set aside by the Appellate Division of the Supreme Court as "largely excessive." The second Commission is proceeding with the same delay, and all the time Reynolds is getting 6 per cent. interest.

THE MITCHEL-PRENDERGAST COMMITTEE PUT THROUGH THE DREAMLAND DEAL, SIDETRACKING OTHER SEASIDE PARK PLANS WHICH WOULD HAVE SAVED THE CITY MILLIONS.

John Purroy Mitchel and William A. Prendergast are the City officials responsible for the Dreamland deal. They controlled the special committee of the Board of Estimate which recommended and facilitated the purchase. As members of this committee they got the Board of Estimate to accept no fewer

than four options on Reynolds' property. The fourth and last option, for \$1,000,000, is the option in force today. THIS OPTION WAS GIVEN BY REYNOLDS WHEN HIS DREAMLAND COMPANY NO LONGER OWNED THE PROPERTY.

The Mitchel-Prendergast committee forced the Dreamland deal through, notwithstanding the fact the City might have reclaimed sixty-three acres of Coney Island frontage for an outlay of \$60,000; and notwithstanding the fact the City might have obtained ninety acres of additional frontage for \$2,250,000, with business establishments thereon returning profit sufficient to pay all carrying charges, including the yearly interest on the purchase price. In addition, this 90-acre offer carried with it opportunity for a municipal bathing house to accommodate 8,000 persons. BUT THIS OFFER AND THE FIRST, BOTH SO ADVANTAGEOUS TO THE PUBLIC, WERE BRUSHED ASIDE BY THE MITCHEL-PRENDERGAST COMMITTEE IN ORDER THAT THERE MIGHT BE NO HITCH IN THE DREAMLAND DEAL.

REYNOLDS' DREAMLAND COMPANY WAS ON THE VERGE OF BANKRUPTCY, AND A "JOKER" IN THE OPTION WOULD HAVE MADE THE CITY ASSUME \$1,450,000 IN MORTGAGES.

There is repeated evidence that Reynolds unloaded his property on the City to save his Dreamland Company from bankruptcy. By Reynolds' own testimony his Dreamland Amusement Park was a failure from the start. It never paid the interest on its bonds. It defaulted on its taxes to the City. It defaulted also on its water rates to the City.

When the purchase of the Dreamland property was recommended and put through by the Mitchel-Prendergast committee, Reynolds' company was encumbered with \$1,450,000 in mortgages. By the terms of the first option accepted by the Board of Estimate, the City would have paid Reynolds \$1,500,000 as the maximum and \$1,350,000 as the minimum price for the property, and on top of that would have had to assume the \$1,450,000 in mortgages.

This "joker" was discovered by Mayor Gaynor, but not until after the Board of Estimate, on recommendation of the Mitchel-Prendergast committee, had voted the options.

THE SAME BROOKLYN LAND SPECULATORS WHO HAVE PROFITED BY SELLING OTHER REAL ESTATE TO THE CITY ARE IN THE DREAMLAND DEAL WITH REYNOLDS.

Involved with Reynolds in the Dreamland deal are certain Brooklyn real estate speculators who have been directly or indirectly interested with Reynolds in other land deals costing the City excessive prices. Among these men are William M. Greve, Frank Bailey, Joseph Huber and George F. Dobson.

Greve, a friend and business associate of Reynolds, is vice-

president of the Neponsit Realty Company, which made a profit of more than 2,400 per cent. by the sale of a large part of Rockaway Park to the City. He is second vice-president and member of the Buying and Selling Committee of the Realty Associates, the company which has assisted Reynolds financially in his City land deals.

Bailey is president of the Realty Associates and vice-president of the Title Guarantee and Trust Company. It was through the Title Guarantee and Trust Company that Reynolds obtained his first mortgage, for \$750,000, on Dreamland. The same company also has shared with the Realty Associates in financially backing Reynolds in other land transactions with the City.

Dobson has been a friend and business associate of Reynolds for many years. He is president of the Harway Improvement Company, which in 1915 was exposed as attempting to exchange twenty-one acres of property for fifty-two acres of City land, all near Coney Island. Greve, friend of both Reynolds and Dobson, testified he "looked after the Harway property," and that the Realty Associates had taken 100 acres of the Dobson Company's land.

Dobson was a director with Reynolds in Wonderland, the corporation for which the Dreamland Company was substituted. Part of the money to be paid by the City for the Dreamland property is to be used to liquidate a judgment, with interest, against Dobson, Reynolds and other directors of Wonderland.

A SUMMARY OF MAIN FACTS.

REYNOLDS DID NOT OWN DREAMLAND WHEN HE GAVE THE \$1,000,000 OPTION IN FORCE TODAY, AND ADMITTED MISREPRESENTATION TO THE CITY; WHILE THE MITCHEL-PRENDERGAST COMMITTEE REJECTED THE OPINION OF THE CHIEF ENGINEER OF THE BOARD OF ESTIMATE THAT THE OPTION SHOULD NOT EXCEED \$699,000.

Among the facts brought to light in this report are the following:—

ALTHOUGH THE CITY TOOK ITS FIRST DREAMLAND OPTION ON JULY 27, 1911, THE FINAL PRICE TO BE PAID HAS NOT YET BEEN DETERMINED, AND MAY NOT BE DETERMINED UNTIL 1919.

THE SIX YEARS OF DELAY HAVE GIVEN WILLIAM H. REYNOLDS \$360,000 IN INTEREST OVER AND ABOVE THE OPTION PRICE OF \$1,000,000. THE INTEREST COST IS GROWING \$60,000 A YEAR, OR \$1153.36 EVERY WEEK.

THE ENTIRE AREA TAKEN BY THE CITY WAS ORIGINALLY BOUGHT BY REYNOLDS FOR \$457,500; HE TESTIFIED THIS WAS AN "EXORBITANT PRICE" AND THAT THERE HAD BEEN NO INCREASE IN VALUE. YET THE CITY'S OPTION, WITH INTEREST, WOULD GIVE REYNOLDS \$1,360,000 FOR THE PROPERTY. ADDED TO THIS IS \$398,000 COLLECTED BY REYNOLDS IN FIRE INSURANCE, MAKING A TOTAL OF \$1,758,000.

THE \$1,360,000 WHICH THE CITY WOULD PAY REYNOLDS TODAY IS FOR LAND VALUED AND ASSESSED BY THE TAX DEPARTMENT AT \$340,000.

JOHN PURROY MITCHEL AND WILLIAM A. PRENDERGAST CONTROLLED THE SPECIAL COMMITTEE OF THE BOARD OF ESTIMATE WHICH RECOMMENDED AND FACILITATED THE PURCHASE; AND ARE RESPONSIBLE FOR THE DREAMLAND DEAL.

THE MITCHEL-PRENDERGAST COMMITTEE GOT THE BOARD OF ESTIMATE TO ACCEPT NO FEWER THAN FOUR OPTIONS FROM REYNOLDS ON DREAMLAND. THE FOURTH AND LAST OPTION IS THE OPTION IN FORCE TODAY. REYNOLDS GAVE THIS OPTION, AND THE MITCHEL-PRENDERGAST COMMITTEE RECOMMENDED IT, ALTHOUGH REYNOLDS AND HIS DREAMLAND CORPORATION NO LONGER OWNED THE PROPERTY.

THE MITCHEL-PRENDERGAST COMMITTEE PUT THE DREAMLAND DEAL THROUGH THE BOARD OF ESTIMATE, NOTWITHSTANDING THE FACT THE CITY COULD HAVE RECLAIMED 63 ACRES OF CONEY ISLAND LAND FOR \$60,000; AND NOTWITHSTANDING THE FACT THE CITY MIGHT HAVE BOUGHT 90 OTHER ACRES, WITH INCOME COVERING ALL CARRYING CHARGES, INCLUDING INTEREST, FOR \$25,000 AN ACRE, AS AGAINST THE \$142,800 AN ACRE CALLED FOR IN REYNOLDS' OPTION.

BY UNLOADING HIS PROPERTY ON THE CITY, REYNOLDS SAVED HIS DREAMLAND CORPORATION FROM BANKRUPTCY. REYNOLDS HIMSELF TESTIFIED THAT HIS DREAMLAND AMUSEMENT PARK WAS A FAILURE FROM THE START; THAT IT NEVER PAID INTEREST ON ITS BONDS, OWED SALARIES, AND DEFAULTED WATER RATES AND TAXES TO THE CITY.

A "JOKER" IN THE FIRST TWO OPTIONS RECOMMENDED AND PUT THROUGH THE BOARD OF ESTIMATE BY THE MITCHEL-PRENDERGAST COMMITTEE WOULD HAVE COMPELLED THE CITY TO PAY \$1,450,000 IN MORTGAGES ON DREAMLAND. MAYOR GAYNOR TWO MONTHS LATER REVEALED THIS "JOKER" AND THE THIRD AND FOURTH OPTIONS THEN FOLLOWED, THESE FOR \$1,000,000 ON A DECREASED AREA AND WITH DREAMLAND LEFT TO PAY ITS OWN MORTGAGES.

THE THIRD OPTION NAMED THE DREAMLAND CORPORATION AS THE OWNER OF THE PROPERTY, WHEREAS THE CORPORATION HAD CEASED TO BE THE OWNER 29 DAYS BEFORE THIS REPORT OF THE MITCHEL-PRENDERGAST COMMITTEE RECOMMENDING IT, AND 44 DAYS BEFORE THE BOARD OF ESTIMATE VOTED IT.

THE FOURTH OPTION—THE OPTION IN FORCE TODAY—APPARENTLY WAS DRAWN IN VIEW OF THE FACT THAT THE DREAMLAND CORPORATION NO LONGER WAS THE OWNER. NOTWITHSTANDING THIS THE MITCHEL-PRENDERGAST COMMITTEE REPORTED TO THE BOARD OF ESTIMATE FOR "THE ACQUISITION" OF THE DREAMLAND CORPORATION'S PROPERTY; AND ON THIS REPORT THE BOARD VOTED THE OPTION.

BY THE TERMS OF THE OPTION THE CITY MUST PAY REYNOLDS INTEREST ON THE PURCHASE PRICE FOR 134

MONTHS BEFORE IT TOOK TITLE OR OWNED THE PARK; THE INTEREST DATING FROM AUGUST 1, 1911 AND THE CITY'S TITLE FROM SEPTEMBER 14, 1912.

BY THE TERMS OF THE OPTION THE CITY RELIEVED REYNOLDS OF ALL TAXES AND ASSESSMENTS FROM AUGUST 1, 1911, OR FOR 13½ MONTHS BEFORE THE CITY OWNED THE PROPERTY.

WILLIAM H. REYNOLDS, WHEN A WITNESS UNDER OATH, ADMITTED HE HAD REPRESENTED TO CITY OFFICIALS THAT HIS DREAMLAND CORPORATION OWNED THE PROPERTY, WHEN AS A MATTER OF FACT IT DID NOT OWN IT. JOSEPH HUBER, REYNOLDS' PARTNER, AND THE NEW AND REAL OWNER, ALSO ADMITTED UNDER OATH HE KNEW REYNOLDS HAD MISREPRESENTED HIMSELF AS THE OWNER.

THE MINUTES OF THE BOARD OF ESTIMATE REVEAL WILLIAM H. REYNOLDS MAKING "PROPOSITIONS" IN WRITING FOUR MONTHS AFTER THE FOURTH OPTION, AS IF HE OR HIS DREAMLAND CORPORATION STILL OWNED THE PROPERTY. THESE "PROPOSITIONS" WERE FOR THE PROFIT OF HIMSELF OR HIS ASSOCIATES AND WERE APPROVED BY THE BOARD.

INVOLVED WITH REYNOLDS IN THE DREAMLAND DEAL ARE MEMBERS OF THE SAME GROUP OF LAND SPECULATORS WHO HAVE BEEN INTERESTED WITH HIM IN THE SALE OF ROCKAWAY PARK, SOUTH BROOKLYN, OR OTHER PROPERTY, AT EXCESSIVE PRICES TO THE CITY. AMONG THESE ARE FRANK BAILEY, WILLIAM M. GREVE, JOSEPH HUBER AND GEORGE F. DOBSON.

THE CLOSE ASSOCIATION OF REYNOLDS, GREVE, BAILEY AND OTHERS IN THE BROOKLYN GROUP OF LAND SPECULATORS WHO HAVE BEEN ACTIVE IN SELLING LAND TO THE CITY, IS REVEALED BY THE SAME "DUMMIES" BEING USED IN THE INCORPORATION OF DIFFERENT LAND COMPANIES.

THE WHOLE DREAMLAND AREA COMPRISING 8.72 ACRES, COST REYNOLDS ONLY \$616,500. THE CITY'S \$1,000,000 OPTION IS ON 7 ACRES FRONTING THE OCEAN. THE 1.72 ACRES RETAINED BY REYNOLDS FRONTS ON SURF AVENUE AND IS VALUED BY THE MITCHEL-PRENDERGAST COMMITTEE AT \$500,000.

PART OF THE MONEY TO COME FROM THE CITY IS TO BE APPLIED TO PAYMENT, WITH INTEREST, OF A JUDGMENT AGAINST WILLIAM H. REYNOLDS, GEORGE F. DOBSON AND OTHERS. MORE OF THE CITY'S MONEY WILL GO TO REYNOLDS FOR "PERSONAL SERVICES"; STILL MORE WILL BE PAID REYNOLDS ON ACCOUNT OF STOCK AND BOND HOLDINGS, TOTALING \$1,351,500 IN DREAMLAND.

THE MITCHEL-PRENDERGAST COMMITTEE PUT THROUGH THE \$1,000,000 OPTION ALTHOUGH CHIEF ENGINEER LEWIS OF THE BOARD OF ESTIMATE HELD IN A REPORT TO THE BOARD THAT THE OPTION SHOULD NOT EXCEED \$699,000.

THE MITCHEL-PRENDERGAST COMMITTEE ACTING ON REYNOLDS' OPINION ADDED \$500,000 TO THE OPTION PRICE FOR SO-CALLED "BREAKAGE OF PLOTTAGE" WHICH IT-

SELF WORKED TO REYNOLDS' PROFIT BY LEAVING HIM THE MOST VALUABLE PART OF THE PROPERTY, OR THAT FRONTING ON SURF AVENUE. STILL FURTHER DISREGARDING THE CHIEF ENGINEER'S REPORT, THE COMMITTEE ADDED \$250,000 MORE TO THE OPTION, MAKING A ROUND TOTAL OF \$300,000 MORE THAN THE FIGURE OF THE CHIEF ENGINEER.

ON APRIL 12, 1911, REYNOLDS SWORE THAT ALL THE DREAMLAND LAND, WITH ALL BUILDINGS AND IMPROVEMENTS THEREON, HAD A TOTAL VALUE OF \$750,000; ON JULY 27, 1911, REYNOLDS GOT THE MITCHEL-PRENDERGAST COMMITTEE TO RECOMMEND, AND THE BOARD OF ESTIMATE TO ACCEPT, A MAXIMUM OPTION OF \$1,500,000 AND A MINIMUM OPTION OF \$1,350,000 ON THIS SAME LAND THEN A FIRE-SWEEP WASTE.

THE TESTIMONY OF REYNOLDS PLACING THE TOTAL VALUE OF DREAMLAND, WITH ALL IMPROVEMENTS, AT \$750,000 WAS AVAILABLE TO THE MITCHEL-PRENDERGAST COMMITTEE IN THE TAX DEPARTMENT. BUT IT NEVER WAS MADE KNOWN TO THE BOARD OF ESTIMATE AND ONLY WAS BROUGHT OUT A YEAR AFTER THE VOTING OF THE FOURTH OPTION, WHEN REYNOLDS HIMSELF WAS A WITNESS BEFORE THE COMMISSIONERS ON AWARD.

THE MITCHEL-PRENDERGAST COMMITTEE BROUGHT THE MATTER OF THE DREAMLAND PURCHASE BEFORE THE BOARD OF ESTIMATE WITHOUT PRELIMINARY REPORT, WITHOUT PLACING IT ON THE BOARD'S CALENDAR; AND RECOMMENDED THE PURCHASE IN A THREE-PARAGRAPH REPORT, BARE OF DETAILED INFORMATION.

COMPTROLLER PRENDERGAST HIRED TWO REYNOLDS APPRAISERS—WILLIAM P. RAE AND BYRON L. KENNELLY—TO ADVISE THE CITY WHAT PRICE TO PAY REYNOLDS FOR DREAMLAND. RAE IS THE MAN WHO ADVISED COMPTROLLER PRENDERGAST TO PAY REYNOLDS \$1.32 A SQUARE FOOT FOR THE SOUTH BROOKLYN PROPERTY. REYNOLDS IS SELLING THE CITY, AND WHICH HE HAD OBTAINED AT 60 CENTS A SQUARE FOOT. AT THIS SOUTH BROOKLYN CONDEMNATION BOTH RAE AND KENNELLY APPEARED AS VOLUNTARY WITNESSES FOR REYNOLDS, USING AGAINST THE CITY THE APPRAISALS THEY HAD GIVEN COMPTROLLER PRENDERGAST.

RAE ADMITTED UNDER OATH THAT COMPTROLLER PRENDERGAST ARRANGED FOR HIM TO BE PAID FOR HIS DREAMLAND APPRAISAL FOR THE CITY, BY JOSEPH HUBER, REYNOLDS' PARTNER, AND THE SECOND LARGEST BONDHOLDER IN DREAMLAND. KENNELLY SWORE HE COULD NOT REMEMBER WHO PAID HIM FOR HIS DREAMLAND APPRAISAL FOR THE CITY.

RAE TESTIFIED THAT HE GAVE COMPTROLLER PRENDERGAST AN APPRAISAL OF \$1,350,000 ON DREAMLAND; THE APPELLATE DIVISION OF THE SUPREME COURT SET ASIDE THE FIRST AWARD OF \$1,014,602.32 AS "LARGELY EXCESSIVE."

RAE WAS REVEALED AS HAVING OBTAINED A LOAN ON PROPERTY NEAR SEAGATE FROM THE REALTY ASSOCIATES THE BROOKLYN CORPORATION THAT HAS FINAN-

cially assisted Reynolds in his city land deals. The fact of the rae loan was sworn to by William M. Greve, officer of the Realty Associates, and friend and business associate of Reynolds.

Kennelly, the other Reynolds appraiser hired by comptroller Prendergast, was a witness against the city on the purchase of Rockaway Park from William M. Greve and other friends and business associates of Reynolds. He testified Rockaway Park had a value of \$1,862,707 and the award was \$1,250,000. He placed a value of \$7500 an acre on the park, including 47 acres obtained by Greve from the state at \$200 an acre.

Kennelly's appraisal on Dreamland has not been revealed, comptroller Prendergast persisting in refusal to make known the facts relative to his employment of Reynolds' appraisers to tell the city what to pay Reynolds or his business associates for land.

The official city records show Reynolds was successful more than once in hoodwinking the board of estimate. He got the board to take options which would have made the city assume \$1,450,000 in mortgages; he got the board to take an option on land his Dreamland company did not own; he got it to agree to pay the park price for a 200-foot strip to Surf Avenue which the Dreamland company did not own; and for this alleged privilege he got the city to agree to build a street or curb and sidewalk to improve the Surf Avenue frontage not included in the park.

H. C. Pyle the first "expert" witness for Reynolds, was shown to have made only two sales of property in Coney Island, one ten years and the other two years before his testimony. He admitted he did not know the value of lots on the ocean front making up the park, but placed a total value of \$1426,000 on the Dreamland property for which the award of \$1,014,602.32 was set aside by the appellate division of the supreme court as "largely excessive."

William M. Greve, the friend and business associate of Reynolds who negotiated the sale of Rockaway Park to the city, testified for Reynolds on Dreamland. He admitted that he held Dreamland bonds that he held stock in the long beach estates, of which Reynolds is president; that he had been connected for twelve years with the Realty Associates, the Brooklyn corporation of which Frank Bailey is president, and which has financially assisted Reynolds in his land deals with the city. Greve swore to a value of \$1,252,908 for Dreamland, as against the \$1,014,602.32 award set aside by the appellate division of the supreme court.

Greve, when a Reynolds witness, admitted that

a "dummy" for himself or a company of which he was part owner, had a claim for damage growing out of the Dreamland proceeding.

The first commissioners of award filed their oaths of office on March 14, 1912, and made their award on April 5, 1915, so that their decision came after three years of delays only to be set aside by the supreme court. The second commissioners of award filed their oaths of office on May 15, 1916 and have not yet finished hearing the witnesses for Reynolds. Nor have they yet heard a single witness for the city.

THE CLOSE ASSOCIATION OF THE BROOKLYN LAND SPECULATORS PROFITING BY CITY DEALS, IS SHOWN BY THE USE OF THE SAME "DUMMIES" FOR INCORPORATION OF DIFFERENT COMPANIES.

A detailed account of the Dreamland deal, all drawn from official records, follows herewith:

On August 18, 1903, a company named Wonderland was incorporated for the purpose of operating an amusement park at Coney Island. The incorporators were William H. Reynolds, Percy B. Purdy, John H. Whyte, William C. Groves and George E. Hall. After the incorporation Reynolds, Purdy, George F. Dobson, Eugene D. Wood and Samuel S. Whitehouse became directors.

The close association of Reynolds, Dobson, Frank Bailey, Clifford S. Kelsey and William M. Greve is pointedly shown by the appearance of the "dummies" John H. Whyte and William G. Groves among the incorporators of Wonderland. The same Whyte and Groves were used as "dummies" in the incorporation, on July 15, 1914, of the Exeter Corporation. Later these "dummies" were replaced by Bailey, Kelsey and Greve. Then with Bailey, Kelsey and Greve on the Board of Directors, Reynolds transferred to this Exeter Corporation certain South Brooklyn property, located where he is selling land both to the city and to the State.

Reynolds testified that it was decided to substitute Dreamland for Wonderland, as a better advertising name. Dreamland was incorporated on March 3, 1904. The names on the incorporation papers were John H. Whyte, William G. Groves, Henry J. Worcester, Walter C. Edwards, George W. Johnson and John Finley. After the incorporation these "dummies" were replaced as directors by Reynolds, Dobson, Joseph Huber and S. S. Whitehouse, attorney for Reynolds.

FROM A STATE OF IMPENDING BANKRUPTCY REYNOLDS' DREAMLAND COMPANY TODAY STANDS TO REALIZE A GRAND TOTAL OF \$2,258,000.

On March 12, 1904, Wonderland completed purchases giving it 8.72 acres of Coney Island, between Surf Avenue and the

ocean. The total price paid for this property was \$612,500. The buildings on the property were valued at \$55,000, so that the price of the naked land was \$617,500. It is 7 acres of this property which the city is taking for park purposes.

The remaining 1.72 acres front on Surf Avenue. The three expert witnesses for the City valued it at four times the value of the ocean frontage taken for the park. The Mitchell-Pren-dergast committee has placed a value of \$500,000 on this 1.72 acres. On this basis the following table shows the total the Reynolds corporation, which was practically bankrupt before the Dreamland fire, would realize if the City's option were formally approved today:

City's option on 7 acres.....	\$1,000,000
Six years' interest payable by city.....	360,000
Fire insurance	398,000
Value of 1.72 acres not included in park..	500,000
	<hr/>
	\$2,258,000

Wonderland was incorporated for \$1,200,000 and Dreamland for \$1,500,000. On March 12, 1904, Wonderland, having completed its land purchases, transferred all its property to Dreamland. On the same day Dreamland took out a mortgage for \$750,000. The mortgage was in favor of the Title Guarantee and Trust Company, and was to secure payment of \$750,000 in gold bonds.

Dreamland issued \$1,500,000 in common stock. Half of this amount, or \$750,000, was retained by Reynolds for promoting the company. The other half was allotted to purchasers of the gold bonds: one share of the common stock being given free with each gold bond. Reynolds testified the bonds were sold at par.

DREAMLAND WAS A FINANCIAL FAILURE FROM THE START, CONTINUING TO ACCUMULATE DEBTS FOR SEVEN YEARS, UNABLE TO PAY JUDGMENTS AND SALARIES, AND DEFAULTING ON TAXES AND WATER RATES TO THE CITY.

Reynolds also testified that he was the largest bondholder in Dreamland, and that he held \$300,750 of the bonds. The common stock that went free with these bonds, added to the \$750,000 in stock for promoting the company, brings the total of the common stock owned by Reynolds to \$1,050,750. IN STOCKS AND BONDS REYNOLDS, ACCORDING TO HIS TESTIMONY, HAS A GRAND TOTAL INTEREST IN DREAMLAND OF \$1,351,500.

Dreamland never was profitable. From Reynolds' own testimony it appears that from the day it was first opened to the public in 1904 until it was destroyed by fire on May 27, 1911, it continued to accumulate debts.

When a witness before the Commissioners on Award, Reyn-

olds testified that at the time of the fire there were six mortgages on Dreamland, amounting to \$1,450,000. This total was made up of separate mortgages for \$35,000, \$65,000, \$100,000, \$200,000, \$300,000 and \$750,000.

These mortgages did not complete the liabilities of the corporation. Taxes and water rents were and still are owing the City. Judgments remained unpaid. Reynolds testified that salaries had not been paid.

In a report to the State Comptroller for the year ending October 31, 1911, Reynolds stated Dreamland had a total of average liability of \$1,369,500; and appraised the \$1,500,000 in common stock at \$15,000, or \$1 a share.

In this same State report, required by law, Reynolds gave the gross value of Dreamland's real estate at \$800,000. Yet in the same year for which this report was made, or on July 27, 1911, Reynolds succeeded in having the Board of Estimate take two options on the property, one for \$1,250,000 at private sale, the other for \$1,500,000 at condemnation.

At the time of the fire Dreamland carried insurance of \$398,000. Up to October 14, 1912, \$383,398.47 of this insurance had been paid, and claims then were pending for the unpaid balance of \$12,601.53.

THREE MONTHS BEFORE THE CITY TOOK ITS FIRST OPTION FOR \$1,500,000 ON ALL THE DREAMLAND LAND REYNOLDS PETITIONED THE TAX COMMISSIONERS TO ASSESS IT AT \$550,000

In 1911 it was proposed to increase the assessed valuation of all of the Dreamland property from \$720,000 to \$976,500, divided as follows:

VALUE OF REAL ESTATE UNIMPROVED.	VALUE OF BUILDINGS, ETC., OR OF IMPROVEMENTS.	TOTAL ASSESSED VALUE.
\$729,500	\$247,000	\$976,500

Reynolds protested this increase and filed a formal petition requesting a decrease to \$750,000 with the Tax Department. The petition held the Dreamland land to be worth only \$550,000, while the improvements thereon were valued at \$200,000.

"I PAID AN EXORBITANT PRICE," TESTIFIED REYNOLDS, AND A FEW WEEKS LATER GOT THE CITY TO TAKE AN OPTION AT \$882,500 OVER AND ABOVE THAT "EXORBITANT PRICE."

Following the filing of the petition, Reynolds appeared as a witness before the Tax Board on April 11, 1911. His testimony was given six weeks before Dreamland burned down and only three months before the City took its first option. Reynolds protested the proposed increased valuation under

oath, and was heard by Lawson Purdy, President of the Tax Board, and Judson G. Wall and Edward Kaufmann, Commissioners.

The following testimony was given by Reynolds:

"By Mr. Reynolds: 'The assessed valuation has been increased by a little over \$300,000. I bought an interest in the McKeon estate, \$447,000 at auction seven years ago. I paid \$200,000 down, AND I WILL SAY I PAID AN EXORBITANT PRICE. I first purchased the Surf Avenue frontage; they sold it in two sections, and I WAS COMPELLED TO BUY THE OCEAN FRONT AT DOUBLE THE PRICE.

"SINCE DREAMLAND WAS INCORPORATED NOT ONE DOLLAR HAS BEEN PAID TO THE INVESTORS AND NOT ONE DOLLAR OF THE \$150,000 HAS BEEN PAID TO THE TITLE GUARANTEE AND TRUST COMPANY. THE WILLIAMSBURG SAVINGS BANK HAS \$300,000 FIRST MORTGAGE ON DREAMLAND, AND IN SEVEN YEARS WE HAVE NEVER PAID ONE DOLLAR OF INTEREST. NO MAN HAS RECEIVED ONE CENT IN RETURN, AND IT HAS BEEN A LOSING VENTURE FROM THE START. I think, gentlemen, the main point I raise is that DREAMLAND HAS NOT INCREASED TO ANY SUCH EXTENT SINCE I PURCHASED IT SEVEN YEARS AGO. IT HAS NOT PAID ONE DOLLAR ON THE INVESTMENT. I ONLY PUT IT UP TO YOU, GENTLEMEN, THAT IN THE WHOLE SEVEN YEARS THAT WE HAVE RUN IT, WE HAVE NOT MADE A DOLLAR OUT OF IT. We helped to increase the value of everything down there at Dreamland, BUT WE NEVER GOT THE VALUE OF A DOLLAR.

Q. What do you figure the market value?

A. It was full last year.

Q. YOU HAVE NOT PAID YOUR TAXES?

A. NO. WE HAVE PAID NO SALARIES AND WE HAVE NOT BEEN GETTING ONE DOLLAR.

By Reynolds' formal petition and testimony, the total value of all Dreamland, both real property and buildings, on April 11, 1911, was \$750,000. On July 27, the same year, Dreamland was a fire-swept waste, subsequently costing the City \$25,000 for removal of wreckage; yet on this date the Mitchel-Prendergast committee recommended, and the Board of Estimate voted, two options for the purchase of the Dreamland real estate—one option for \$1,500,000 and the other for \$1,350,000.

And it is on the least valuable part of the Dreamland site that the City today holds, on recommendation of the Mitchel-Prendergast committee, an option of \$1,000,000, involving up to the present \$360,000 in interest.

DREAMLAND WAS IN SUCH A FINANCIAL PLIGHT IT HAD BEEN SOLD BY THE SHERIFF FOR NON-PAYMENT OF DEBTS.

When the City first took action to acquire the property, there was no talk from Reynolds of Dreamland as a losing proposition. But the financial plight of Dreamland then and for several years before was so serious that its property had been sold at Sheriff's sale for non-payment of debts.

On December 22, 1909, Eugene D. Wood got a judgment against Dreamland for \$205,680. On the same date Joseph Huber got another judgment for \$131,850. As a result of these judgments, Patrick T. Quinn, Sheriff of Kings County, on September 26, 1910, sold the site of Dreamland at public auction. The site was bought by Wood and Huber for \$80,000. On August 29, 1911, one month after the City had taken the first two options, Wood assigned his interest to Huber. On September 5, 1911, a Sheriff's deed turned over the property to Huber.

Under this deed Huber held title to the Dreamland site, including that part taken by the City for the park.

THE FACT THAT DREAMLAND HAD BEEN SOLD AT SHERIFF'S SALE WAS KEPT A SECRET BY REYNOLDS WHEN NEGOTIATING THE FIRST TWO OPTIONS WITH THE CITY.

The third option, for \$1,000,000 on a part of Dreamland, was recommended by the Mitchel-Prendergast committee and adopted by the Board of Estimate on October 19, 1911. The fourth option, also for \$1,000,000, was similarly accepted by the City on January 12, 1912.

REYNOLDS GAVE BOTH THE THIRD AND FOURTH OPTIONS ON THE PRETENSE HIS DREAMLAND COMPANY STILL OWNED PROPERTY IT HAD LOST WEEKS BEFORE.

Both of these options were given by Reynolds on the pretense his Dreamland Corporation owned the property. But the corporation had ceased to be the owner on September 5, 1911. SO THAT REYNOLDS GAVE THE CITY AN OPTION ON PROPERTY HE OR HIS CORPORATION DID NOT OWN.

The Dreamland fire broke out about 3 a. m. on May 27, 1911. While the firemen still were throwing water on the ruins Reynolds began a campaign to unload the site on the City for a public park. In a Manhattan morning newspaper of May 28, 1911, Reynolds was quoted as follows:

"I believe the best thing that could be done with the property would be its purchase by the City for a park. THE OLD ARGUMENT OF EXCESSIVE COST NO LONGER HOLDS. No buildings remain to be condemned. Only the cost of the land need be considered. If the City was a private institution, I will wager that no time would be lost in grasping this great opportunity."

**IN THREE MONTHS REYNOLDS' VALUATION
JUMPED FROM \$550,000 TO \$1,500,000, AND THE
MITCHEL-PRENDERGAST COMMITTEE AC-
CEPTED THE LATTER FIGURE.**

The "great opportunity" seen by Reynolds existed only for his Dreamland Company. Sale of the property to the City offered the one chance of escape from financial collapse. Operating its amusement park at a growing and continuous loss, unable to pay its salaries and its taxes, unable even to pay the interest on its bonds, with all its property reduced to a fire-swept waste, the Reynolds company's financial hope lay in getting the City to buy its land. By Reynolds' own testimony on April 11, 1911, all of this land, with all buildings and improvements thereon, had a total value of \$750,000. The land alone he valued at \$550,000. But selling this same land when a fire-swept waste to the City only three months later, Reynolds insisted on a cash option of \$1,350,000 or \$1,500,000 if taken by condemnation.

And these options were approved by the Mitchel-Prendergast committee, recommended by it to the Board of Estimate, and so adopted by the Board.

WHILE THE OPTIONS WERE BEING NEGOTIATED THE TESTIMONY OF REYNOLDS VALUING DREAMLAND, WITH ALL ITS BUILDINGS AT \$750,000, WAS AVAILABLE IN THE TAX DEPARTMENT.

If the Mitchel-Prendergast committee had knowledge of this testimony, that fact was not made known by it to the Board of Estimate. If the committee was without knowledge of the testimony, then it failed to obtain available City records on one of the first points of information required in all land purchases by the City.

**THE MITCHEL-PRENDERGAST COMMITTEE
EITHER NEGLECTED ITS DUTY OR WITHHELD
REYNOLDS' TESTIMONY FROM THE
BOARD OF ESTIMATE.**

With the Reynolds testimony before it, the Board of Estimate apparently would have been compelled to reject the options. THE OFFICIAL RECORD MAKES CLEAR THAT THE MITCHEL-PRENDERGAST COMMITTEE EITHER NEGLECTED ITS DUTY OR WILFULLY WITHHELD REYNOLDS' TESTIMONY FROM THE BOARD.

The Dreamland purchase first came before the Board of Estimate on June 15, 1911, in the form of a resolution from the Board of Aldermen favoring the purchase. This resolution had been adopted by the Aldermen on June 6, 1911.

The Board of Estimate referred the matter to a special committee. John Purroy Mitchel, president of the Board of Aldermen; William A. Prendergast, Comptroller, and Alfred E. Steers, President of the Borough of Brooklyn, were named as the three members of this committee.

The Mitchel-Prendergast committee made no preliminary re-

port. Instead it made a first and final report, on July 27, 1911, flatly recommending the purchase. No reference was made to City-owned property at Coney Island, which might be reclaimed or developed for park purposes. Nor was any reference made to other property which might have been acquired at lower cost than Dreamland.

The Board of Estimate prints a calendar of business for its meetings. The report of the Mitchel-Prendergast committee favoring the Dreamland purchase, and recommending options, was not on the calendar. To the contrary, the official minutes reveal that the matter was brought up without notice.

**THE MITCHEL-PRENDERGAST COMMITTEE
RECOMMENDED THE \$1,500,000 PURCHASE
FROM REYNOLDS IN THREE SKEL-
ETON PARAGRAPHS.**

The committee's report was dated July 27, 1911, the same day it was submitted to the Board. It consisted merely of three skeleton paragraphs, bare of all details on a plan involving an outlay by the City of several million dollars.

Nothing appears in the minutes of the Board in explanation of the fact that one option was for \$1,350,000 and the other for \$1,500,000 on the same and identical piece of property. A closing recommendation that "condemnation proceedings be instituted," however, made it clear that the Mitchel-Prendergast committee purposed to pay the \$1,500,000 rather than the \$1,350,000.

That the Mitchel-Prendergast committee was determined to do all in its power to pay Reynolds the \$1,500,000 is further shown by the fact that a resolution providing for condemnation proceedings was presented by Comptroller Prendergast to the Board.

This resolution was adopted unanimously by the Board. Resolutions for the two options, a resolution for the preparation for a map laying out the park, and a resolution for a public hearing as required by law, all were presented by the Comptroller and all were voted unanimously.

No mention was made in the Mitchel-Prendergast report, nor does any mention whatever appear in the board's minutes of this meeting, of the mortgages totalling \$1,450,000 on Dreamland. NOR WAS IT REVEALED THAT BY THE TERMS OF THE MITCHEL-PRENDERGAST OPTION THE CITY NOT ONLY WOULD HAVE HAD TO PAY REYNOLDS \$1,500,000, PLUS INTEREST, BUT ALSO PAY THE \$1,450,000 IN MORTGAGES.

**NOT ONE BUT TWO REYNOLDS APPRAISERS WERE
HIRED BY COMPTROLLER PRENDERGAST TO
ADVISE THE CITY WHAT TO PAY FOR
DREAMLAND.**

There is sworn evidence to the effect that either before or after the first options on Dreamland, Comptroller Prendergast hired two Reynolds' appraisers to advise what the City should

pay Reynolds. These appraisers were William P. Rae and Bryan L. Kennelly. Rae testified that the date of his report to Comptroller Prendergast was April 20, 1912. If this date is correct the value of his report was nil, for the reason that the last of the four options on Dreamland had been voted by the Board of Estimate on January 12, 1912, or exactly three months before.

The testimony of Rae was brought out at hearings in condemnation proceedings by the city for the acquirement of land for a freight classification yard in connection with the South Brooklyn Marginal Railroad. Kennelly also was questioned regarding Dreamland at the same proceeding, both witnesses being heard shortly before the closing of testimony in May, 1916.

It was then revealed that both Rae and Kennelly are appraisers for Reynolds or his Brooklyn associates in land deals with the city. Furthermore, it was revealed that Rae had been paid by Joseph Huber for telling Comptroller Prendergast what the city should pay Reynolds for Dreamland. Rae admitted that this plan of payment was arranged between the Comptroller and Huber. As shown by testimony, Huber was the second largest bondholder in Dreamland.

**RAE'S TESTIMONY SHOWS HE WAS PAID FOR HIS
DREAMLAND APPRAISAL FOR COMPTROLLER
PRENDERGAST BY HUBER, REYNOLDS'
PARTNER.**

The testimony given by Rae in this connection follows herewith:

Q. Mr. Rae, you testified that you made numerous appraisals for the Comptroller. Is that correct?

A. Yes.

Q. Did you appraise for the Comptroller that part of the property belonging to the Dreamland Corporation, or to Joseph Huber, as trustee, which was acquired by the City of New York in a proceeding known as Public Park at Coney Island?

A. I did.

Q. Was that appraisal made about the year 1911 or in the year 1910?

A. My report is dated April 20, 1912, to the Comptroller.

Q. Was not your appraisal of that property approximately \$1,250,000?

A. Somewhat above \$1,250,000. It was \$1,350,000.

Q. DID THE COMPTROLLER PAY YOU FOR MAKING THAT APPRAISAL OR THE PROPERTY OWNERS?

A. HE ARRANGED FOR THE PAYMENT BY THE PROPERTY OWNER, MR. HUBER.

Kennelly followed Rae on the stand, and was asked who paid him for his appraisal of Dreamland.

"I don't remember who paid me," he replied.

Rae appraised Dreamland for the Comptroller at \$1,350,000;

Reynolds has testified that his purchase price of \$617,500 was exorbitant, and the Appellate Division of the Supreme Court has set aside an award of \$1,014,602.32 as "largely excessive."

**VOLUNTEERING AS A WITNESS AGAINST THE
CITY, RAE USED IN REYNOLDS' BEHALF AN
APPRAISAL HE HAD GIVEN COM-
PTROLLER PRENDERGAST.**

Rae appeared as a voluntary witness for Reynolds in the South Brooklyn condemnation proceeding. He used in Reynolds' interest the same appraisal he had made for the Comptroller. He did this although it was pointed out to him that he was not required to testify, unless he did so voluntarily. He swore in Reynolds' behalf to having given the Comptroller a valuation of \$1.32 a square foot on the South Brooklyn property, which had been obtained by Reynolds for 60 cents a square foot. And following Rae's appraisal the City, on recommendation of the Mitchell-Prendergast Committee, took an option of \$1.30 a square foot.

Kennelly also testified for Reynolds in the South Brooklyn proceeding. He, too, used against the City the appraisal he had made for Comptroller Prendergast, and was a voluntary witness for Reynolds. It was this same Kennelly who testified against the City in the purchase of Rockaway Park, in which proceeding Reynolds himself was a witness against the City.

**COMPTROLLER PRENDERGAST HAS PERSISTED IN
REFUSING TO MAKE PUBLIC THE FULL FACTS
OF HIS EMPLOYMENT OF REYNOLDS AP-
PRAISERS TO ADVISE THE CITY
WHAT TO PAY REYNOLDS.**

The full facts of the employment by the Comptroller of appraisers for Reynolds to tell the City what to pay Reynolds or his associates for land have not yet been revealed. Comptroller Prendergast himself has persisted in refusing to give information on this point. Plainly the facts in this connection are of public importance. But it appears they can only be brought to light by compulsion, or by means of an official investigation.

The fact that the first two options contained a "joker" by which the City would have had to pay the mortgages of \$1,450,000 on the property was revealed by Mayor Gaynor on August 28, 1911. This was two months after the options had been voted by the Board of Estimate. This revelation was made in a communication from Mayor Gaynor to the Cities Committee of the Legislature, then considering a new City Charter.

**HOW MAYOR GAYNOR REVEALED THE "JOKER"
MAKING THE CITY RESPONSIBLE FOR THE
\$1,450,000 MORTGAGE ON DREAMLAND.**

Mayor Gaynor's statement follows:

"At the last meeting of the Board of Estimate and Apportionment a resolution was passed to purchase land at Coney Island of the Dreamland Corporation. The price mentioned was \$1,500,000, and every member of the Board, I am quite sure, supposed that the corporation undertook in the option to convey an unencumbered and clear title for that sum.

"But my attention has since been called to the fact that the option of that Corporation is not that it will convey a clear title, but only that it will convey (these are the very words) its 'right, title and interest in and to' the property. UPON EXAMINATION I FIND THE PROPERTY TO BE ENCUMBERED BY MORTGAGES AMOUNTING TO \$1,400,000. If the Mayor had a suspensive veto power he could suspend that resolution until the Board considered it again."

By Reynolds' testimony, the mortgages on the property totalled \$1,450,000, or \$50,000 more than the figure stated by Mayor Gaynor.

Following Mayor Gaynor's letter two substitute options were taken on Dreamland. Each of these provided for the City to get the property at the option price free of encumbrance.

NO EXPLANATION OF THE \$1,450,000 "JOKER" IS FOUND IN THE BOARD OF ESTIMATE MINUTES.

No explanation of the omission of this protecting clause from the first two options appears in the minutes of the Board of Estimate. Yet this omission would have cost the city \$1,450,000 over and above the purchase price.

On August 31, 1911, Nelson P. Lewis submitted a report on Dreamland to the Board of Estimate. Lewis was Chief Engineer to the Board, a position he still holds. With his report was presented a map of the proposed park.

He stated that the full area of the Dreamland property was 8.72 acres, with a total assessment of \$729,500. He reported that seven acres were being taken for the park, and that the total Dreamland assessment was divided as follows:

	AREA IN ACRES.	TOTAL ASSESSED VALUATION.
Dreamland property taken by city.	7.0	\$340,000
Dreamland property not taken by city	1.72	390,000
		<hr/> \$730,000

It was set forth in the Lewis report that the map he presented had been prepared by the Chief Engineer of the Topographical Bureau of the Borough of Brooklyn, from certain records with which he was familiar, and other records in his office. This map conformed to the report made by the

Mitchel-Prendergast Committee on July 27, 1911, and not to the options voted on that date by the Board of Estimate. On this point Engineer Lewis stated that the park to be laid out and as shown on the map, "DOES NOT. INCLUDE THE LAND EXTENDING FROM SURF AVENUE 200 FEET, SOUTHERLY, AND DOES NOT, THEREFORE, COVER ALL THE LAND NAMED IN THE OPTION."

CHIEF ENGINEER LEWIS REVEALED FACTS PROVING THE EXCESSIVE PRICE THE MITCHEL-PRENDERGAST OPTION WOULD GIVE REYNOLDS.

No explanation as to why this official City map did not include all the property then was made to the Board of Estimate. But the map was approved, and thereafter the price, in the third and fourth options, was fixed at the apparently decreased price of \$1,000,000. But this sum exceeded the assessed value of the smaller area taken by \$660,000; while Reynolds was left in possession of property four times more valuable than the City's part.

It was pointed out by Lewis that the first option price of \$1,500,000 for all the Dreamland property exceeded the assessed valuation by 205.6 per cent.; and he held that the option on the decreased area, or the area which at present is being purchased, should be reduced to \$699,000. His report ended with the following statement:

"I do not know whether the Dreamland Company is prepared to accept the proportion of the sum (\$699,000) named in the option which the assessed value of the part to be taken bears to that of their entire holdings. I am simply presenting the map which the Board instructed me to prepare and have endeavored to give as closely as possible the assessed value of the land to be acquired in order to comply with the provisions of the Charter."

THE CITY COULD HAVE HAD 90 ACRES, WITH INCOME COVERING CARRYING CHARGES, FOR \$2,250,000, AS AGAINST THE OPTION PRICE OF \$1,000,000 FOR REYNOLDS' 7 ACRES.

The same day the Lewis report was submitted, an offer was made in writing of 90 acres for a park on the Coney Island water front for \$2,250,000. A bathing house with accommodations for 3,000 persons; two hotels, several stores, an ocean boardwalk, and the steel grandstand of the Brighton Beach race track, were included in the offer.

The offer was made with the statement that the income from the hotels, stores, bathing houses and privileges was sufficient to cover all the carrying charges of the property, including the interest on the proposed purchase price of \$2,250,000.

This offer was from the Brighton Beach Racing Association and was for the sale of 90 acres making up the Brighton

Beach frontage. The advantages to the public of this offer are easily apparent. Ninety acres were offered for \$2,250,000 while on 8.72 acres of the Dreamland property the City had one option of \$1,350,000, and another of \$1,500,000. In addition, Dreamland was a fire-swept waste, while at Brighton Beach were improvements giving an income covering all carrying charges and interest on the purchase price. Furthermore, it was open to the City at small cost to increase the accommodations of the bathing house to 8,000 persons.

On motion of George McAneny, then President of the Borough of Manhattan, the question of the Dreamland purchase and the offer of the Brighton Beach acreage, were referred back to the Mitchel-Prendergast committee for a special report.

ANOTHER OPPORTUNITY WAS OFFERED THE CITY TO RECLAIM 63 SEASIDE ACRES FOR \$60,000.

On October 5, 1911, it was made known to the Board of Estimate that the City already had 63 acres of land available for a park at Coney Island, and that this ocean front could be reclaimed and opened to the public for \$60,000, as against the \$1,000,000 named in the final option for Reynolds' seven acres.

This revelation was made in a communication from Cyrus C. Miller, President of the Borough of The Bronx. Miller was the one member of the Board of Estimate who opposed the Dreamland options. He was not present when the first two options came before the Board; the affirmative vote of The Bronx then being cast by Thomas W. Whittle, as Acting President. Whittle now is Park Commissioner of The Bronx, by appointment from Mayor Mitchell.

President Miller informed the Board that the City had acquired 63 acres at the foot of Ocean Parkway in 1874; that part of this tract had been washed away, but that its reclamation was possible at a cost of \$2,000 an acre. It was his opinion that the City ought not to pay \$3,000,000 to \$4,000,000 to Reynolds and others when it already had 63 acres which might be reclaimed and opened as a park at \$60,000.

PRESIDENT MILLER FOUND IT DIFFICULT TO SEE A REASON FOR THE DREAMLAND PURCHASE.

The Miller communication, throwing an interesting light on the whole Dreamland proposition, favored the opening of a sea beach for the public at Coney Island, but added:

"IT IS DIFFICULT TO SEE WHAT REASON THERE IS FOR A PURCHASE BY THE CITY OF SUCH A TRACT AS DREAMLAND, WHICH DOES NOT AMOUNT TO MORE THAN EIGHT (8) ACRES, AND WHICH WILL COST, WITH THE NECESSARY LAND TO BE TAKEN ADJOINING IT, BETWEEN \$3,000,000 AND \$4,000,000, WHEN THE CITY ALREADY HAS SIXTY-THREE (63) ACRES WHICH MAY BE RECLAIMED AT A COST NOT EXCEEDING \$60,000."

On October 19, 1911, the Mitchel-Prendergast committee made

the special report to the Board on the Dreamland purchase, the offer of the Brighton Beach Racing Association, and the Miller plan for the 63-acre park at a cost of \$60,000.

The report was signed by the three committee members, John Purroy Mitchel, William A. Prendergast and Alfred E. Steers.

The report referred to the two options of July 27, 1911, as having been drawn to include all the Dreamland property, and recommended a new option for \$1,000,000, excluding a 200-foot tract along Surf Avenue.

No mention was made of the earlier discovery by Mayor Gaynor of the "joker" in the first options which would have forced the City to pay the \$1,450,000 in Dreamland mortgages. This fact was then and thereafter passed over in silence by the Mitchel-Prendergast committee in its reports, and the third and fourth options, each for \$1,000,000 on a decreased area, put through the Board.

THE MITCHEL-PRENDERGAST COMMITTEE CONCEDED THE VASTLY GREATER VALUE OF THE DREAMLAND LAND LEFT IN REYNOLDS' POSSESSION.

In its special report the committee dwelt on the vastly greater value of the tract left in Reynolds' hands. On this point the following statement was made:

"According to figures based on the sale of the Martin Rauscher property, directly opposite the Dreamland property, the value of the 200-foot strip of Dreamland property not to be taken is, approximately, \$500,000."

Engineer Lewis' report to the Board that the option for the decreased area should be \$699,000 was rejected by the committee, and the price put at \$1,000,000. This sum allowed a \$50,000 claim of Reynolds for so-called "breakage of plottage." THE COMMITTEE'S OPTION EXCEEDED THE LEWIS FIGURE BY \$301,000 AND THE ASSESSED VALUE BY \$660,000, OR APPROXIMATELY 200 PER CENT.

The new option was put to a vote by Comptroller Prendergast. It was adopted by 12 votes to 1, Mr. Prendergast, Mr. Mitchel and Borough Presidents McAneny, Steers, Connolly and Cromwell voting in the affirmative. The one negative vote was cast by President Miller.

THE THIRD OPTION TAKEN BY THE CITY WAS DRAWN AS IF REYNOLDS' DREAMLAND COMPANY STILL OWNED THE PROPERTY, BUT IT HAD NOT OWNED IT FOR WEEKS BEFORE.

When this new option was recommended by the Mitchel-Prendergast Committee, and voted by the Board of Estimate, the Dreamland Corporation was no longer the owner of the property. On September 5, 1911, ownership had passed to Joseph Huber, by Sheriff's deed dated and acknowledged on that day.

NOTWITHSTANDING THIS FACT, REYNOLDS GAVE THE OPTION, THE MITCHELL-PRENDERGAST COMMITTEE RECOMMENDED IT, AND THE BOARD OF ESTIMATE VOTED IT, AS IF DREAMLAND WAS THE OWNER.

THE MITCHELL-PRENDERGAST COMMITTEE TOOK A STAND AGAINST THE INCOME-BEARING OFFER OF 90 ACRES FOR \$2,250,000; AND SHELVED IT WITH THE 63-ACRE PLAN OF PRESIDENT MILLER.

The committee reported adversely on the offer of the Brighton Beach Racing Association. It raised objections to the acquisition of the property. It held that it would be almost impossible to remedy certain conditions of which it complained.

But no reference was made by the committee to the statement of the Brighton Beach Racing Association that the income from the hotels and bathing houses was sufficient to cover the carrying charges of the entire property, including the interest on the proposed purchase price. Nor was there any reference to the statement made by the Association that it was possible at slight cost to increase the accommodations of the bathing house from 3,000 to 8,000 persons.

The committee also raised objections to the Miller proposal that the City could reclaim park lands owned by it on the Coney Island water front for \$60,000, thereby saving the purchase price of Dreamland. THE ONE DEFINITE ACT AND PLAN OF THE COMMITTEE WAS TO RECOMMEND AND PUSH THE BUYING OF REYNOLDS' LAND. On the other Coney Island water front matters, the committee requested further time for investigation and fuller report. This request was granted, and thereby park plans so advantageous to the City in contrast with the Dreamland purchase were sidetracked. For the Mitchell-Prendergast Committee permitted these plans for one park of sixty-three acres and another of ninety acres at minimum cost, to lie dormant, while it proceeded with other steps favoring the Dreamland deal.

THE FOURTH OPTION, THE ONE IN FORCE TODAY, WAS APPARENTLY DRAWN TO FIT THE FACT THE REYNOLDS COMPANY NO LONGER OWNED THE PROPERTY.

On January 12, 1912, still another option was recommended by the Mitchell-Prendergast Committee, and voted by the Board of Estimate. The wording of this option is different from that of the three previous options. IT INDICATES THAT IT WAS DRAWN TO FIT THE FACT THAT THE DREAMLAND COMPANY NO LONGER OWNED THE PROPERTY. The first three options specifically stated that they were for property owned by Dreamland. This fourth and last option made no mention of Dreamland as the owner. The description of the property made no reference to the owner. The owner of the prop-

erty was not mentioned in the option, and it is this option which is in existence today.

By recommendation of the Mitchell-Prendergast Committee, therefore, the City, on January 12, 1912, accepted from William H. Reynolds, as president of the Dreamland Corporation, an option on property which the company has not owned since September 5, 1911.

THE BOARD OF ESTIMATE WAS IN IGNORANCE OF THE REYNOLDS COMPANY HAVING LOST OWNERSHIP, BUT WAS THE MITCHELL-PRENDERGAST COMMITTEE WITHOUT KNOWLEDGE OF THAT FACT?

But the option on its face shows that it was drawn with full knowledge of the change of ownership, and this fact inevitably suggests the following question:

DID NOT THE MITCHELL-PRENDERGAST COMMITTEE HAVE KNOWLEDGE THAT WILLIAM H. REYNOLDS' DREAMLAND COMPANY NO LONGER OWNED THE PROPERTY?

At no time was it revealed to the Board of Estimate that the property had changed hands. Not until more than a year later, when Reynolds was a witness before the Commissioners of Estimate and Appraisal was the fact of the change of ownership publicly revealed. A brief drawn by Corporation Counsel Polk sets forth the following:

"Prior to the laying out of this park on the final maps of the City of New York, the Dreamland Corporation, through its president and principal owner, had negotiations with the public officials relative to the purchase of the property by the City for park purposes. DURING THE NEGOTIATIONS IT WAS REPRESENTED TO THE CITY OFFICIALS THAT THE DREAMLAND CORPORATION WAS THE OWNER OF THIS PROPERTY. THE CITY OFFICIALS WERE NOT ADVISED THAT THE PROPERTY, WHICH THE DREAMLAND CORPORATION SOUGHT TO SELL TO THE CITY, HAD BEEN SOLD AT SHERIFF'S SALE TO JOSEPH HUBER AND EUGENE D. WOOD. The attention of Mr. Reynolds, the president of the Dreamland Corporation, was called to this fact when testifying before the Commissioners."

REYNOLDS, UNDER OATH, ADMITS MISREPRESENTATION, AND TELLS HOW HE "SQUARED THE CITY AND ME."

Reynolds when a witness explained his failure to inform the public officials of the change of ownership, as follows:

"When I started negotiations with the City the title was in the Dreamland Corporation, so that the negotiations were started as coming from Dreamland, and it was subsequently

that the title went to Mr. Huber as that would have mixed up the whole proposition, to go before the City officials and say Dreamland does not own this property, it has been sold by Sheriff's sale and Mr. Huber owns it, you see, so that at all the meetings of Dreamland when the resolutions were passed by the Dreamland Corporation I would have Mr. Huber, before I would put my signature as president of the Dreamland Corporation on those agreements and bonds I gave to the City, I would have him sign similar bonds. They were in duplicate so that my position was always such that Dreamland could convey a good title to the City and we had a title by Mr. Huber, he was a director, and he had been made a trustee for Dreamland and the directors in purchasing this very property at the Sheriff's sale, so that there was nothing on my part in wanting to mislead the city officials or do anything wrong, except that I DID NOT WANT TO EMBARRASS THE SITUATION BY SAYING THAT THE TITLE WAS TWISTED AND ALL THAT. I WAS AFRAID THAT IT WOULD HURT US TO SAY THAT THE PROPERTY WAS SOLD BY SHERIFF'S SALE AND THAT TITLE WAS IN A PRIVATE INDIVIDUAL, SO HE WAS PRESENT AT ALL MEETINGS AND THAT SQUARED THE CITY AND ME."

It was not until November 11, 1912, that Joseph Huber filed a claim for the award to be made, or the purchase price to be paid for the former Dreamland property.

HUBER, THE NEW DREAMLAND OWNER, KNEW OF REYNOLDS' MISREPRESENTATION, AND REMAINED SILENT.

On March 24, 1913, Huber was a witness before the Commissioners on Award. He was cross-examined on his ownership of the property on which the Dreamland Company had given an option to the City as the pretended owner, and testified as follows:

Q. You are still the owner of that property, subject to the mortgages, encumbrances and tax liens on it?

A. Yes.

Q. So that today your interest in this real property, as conveyed to you by the Sheriff's deed, and in the award which had been assigned to you by the Dreamland Corporation, and your interest in the award aside from that assignment, are still in you?

A. Yes.

Q. You purchased this property at the Sheriff's sale for the amounts of the judgments?

A. Yes.

Q. You knew, did you not, that Mr. Reynolds in his dealing with the Board of Estimate and Apportionment represented that that company was the owner in fee of that property; you knew that, didn't you?

A. Yes.

Q. You knew the transactions were carried on in the name of the Dreamland Corporation?

A. Yes.

Q. Did you ever inform the Board of Estimate and Apportionment that you were the owner of the property?

A. No.

Q. And that the Dreamland Corporation was not the owner?

A. No, I did not.

An agreement signed by both Huber and Reynolds on August 29, 1911, sets forth how the funds to come from the City are to be expended. Unpaid principal and interest on mortgages and bonds, of which Reynolds holds \$300,750, are to be paid; and Reynolds is to receive \$15,000 additional for services. Another payment is of \$5,277.30, with interest since September 28, 1910, the amount of a judgment obtained by Paul C. Ertsaas against Reynolds, George F. Dobson, Eugene D. Wood, S. S. Whitehouse and Percy B. Purdy.

AFTER THE LAST AND EXISTING OPTION HAD BEEN APPROVED, REYNOLDS, STILL PRETENDING OWNERSHIP, GOT THE CITY TO APPROVE "PROPOSITIONS" PROFITABLE TO HIMSELF OR ASSOCIATES.

On January 25, 1912, Reynolds wrote to Comptroller Prendergast as if his company still was the owner of the property. He made two propositions to the City as if this were true; and later the City accepted these propositions. Reynolds' letter is in the Board of Estimate minutes for February 1, 1912.

His first proposition was that if the City would purchase the Dreamland site at private sale, the Dreamland Company would convey "all its right, title and interest" in a 200-foot strip to connect the park with Surf avenue. Reynolds was safe in making this proposition, as the City's one option at that time, and which is the option in force today, was for the acquirement of the park by condemnation proceedings.

The second proposition was that if the award by condemnation was less than \$1,000,000, the City must pay for the 200-foot strip the price per square foot paid for the park itself.

The important omission was that there was no proposition covering an award of more than \$1,000,000. So that if the award were more than \$1,000,000, which it ultimately was, a higher price could be demanded for the connecting road to the park.

Another important point in connection with these "propositions" is that THE CITY HAD BEEN IN SUCH HASTE TO ACQUIRE REYNOLDS' DREAMLAND THAT IT HAD NEGLECTED TO PROVIDE FOR A ROAD TO THE PARK. So that when the City was committed finally to the purchase, and condemnation was under way for acquirement of a

plot of land cut off from approach, Reynolds came forward to give the necessary connecting roadway—for a consideration.

Reynolds took the position that his "propositions" were in the nature of concessions to the City. So he stipulated that the City must build without assessment on the Dreamland Company, either a street or sidewalk and curb for the improvement of his Surf avenue tract not included in the park.

REYNOLDS' MISLEADING "PROPOSITION" LETTER WAS WRITTEN TO COMPTROLLER PRENDERGAST, AND CAME TO BOARD OF ESTIMATE IN ROUNDABOUT WAY.

This Reynolds letter was not given to the Board of Estimate by Comptroller Prendergast, the official to whom it was written. Instead, it appears in the Board's minutes as part of a communication from the Chief Engineer of the Brooklyn Topographical Bureau relative to the City map of Dreamland Park.

On February 15, 1912, the Board of Estimate adopted a resolution laying out on the City map the 200-foot strip to connect the park with Surf avenue. This action was in accordance with the "propositions" made by Reynolds in his letter to the Comptroller.

As the award on Dreamland Park is still pending, the cost of this 200-foot strip remains to be decided. But the commitment of the City to pay the same price per foot as for the park land, and also to build a street or curb and sidewalk to improve the Surf avenue property, remaining in private hands, appears to be illegal. Reynolds led the City to this commitment by pretending that Dreamland still owned the property, when as a matter of fact it had not owned it for nearly six months.

REYNOLDS WAS REPEATEDLY SUCCESSFUL IN HOODWINKING THE BOARD OF ESTIMATE.

The record as written in official minutes appears to show that Reynolds was successful more than once in hoodwinking the Board of Estimate. He got the Board to take first options which would have made the City assume \$1,450,000 in mortgages; he got the Board to take two other options on land he or his Dreamland Corporation did not own; he got the Board to agree to pay the park price per square foot for an extra 200-foot strip to Surf avenue which the company did not own, and in addition for the City to build without assessment on Dreamland a street or a curb and sidewalk, improving property in which he himself held interest.

On February 27, 1912, Commissioners to take testimony and make an award were appointed by Justice Marean in the Supreme Court, Kings County. The three Commissioners named were David F. Manning, George S. Billings and William Duane. On February 6, 1913, Charles J. McDermott and George A. Steves replaced Manning and Billings on the Commission.

The Commissioners began hearing witnesses shortly after filing their oaths of office on March 14, 1912. Delay after delay took place, however, and testimony which might be taken in a few

days was not taken in a year. Meanwhile Reynolds was collecting his 6 per cent. interest, and this interest continues piling up today.

THE VALUATIONS ON WHICH THE FIRST AWARD OF \$1,014,602.32 WAS MADE.

Three witnesses on valuation testified for the City and three for the Dreamland Company. The following table gives the values sworn to by these witnesses, and on which the Commissioners awarded the Dreamland Company \$1,014,602.32:

WITNESSES FOR THE CITY.

	TOTAL VALUATION.	VALUATION PER SQUARE FOOT.
Martin McHale.....	\$428,025.00	\$1.37
Joseph P. Day.....	449,225.76	1.45
John Dunne.....

WITNESSES FOR DREAMLAND.

H. C. Pyle.....	\$1,426,000.00	\$4.47
William M. Greve.....	1,252,968.00	4.24
David Porter.....	1,330,738.00	4.25

Dunne was the Deputy Tax Commissioner who assessed Dreamland for taxation by the City. His sworn valuation of all the Dreamland property was \$737,500. This valuation included the 200-foot Surf avenue strip not taken for the park, and which was stated by the Mitchel-Prendergast Committee to be worth \$500,000.

REYNOLDS' LAWYERS WERE AFRAID TO CROSS-EXAMINE McHALE, WITNESS FOR THE CITY.

McHale's sworn valuation of \$428,025 was not challenged by the lawyers for Reynolds. A brief of the City, prepared under the direction of Frank A. Polk, Corporation Counsel, states that Reynolds' attorneys declined to cross-examine McHale because of his excellent qualifications, and adds the following:

"The City is informed that these attorneys had agreed among themselves, before McHale was called by the City to testify in this proceeding, not to cross-examine him.

"They were afraid to cross-examine McHale and prepared to take their chances by allowing his testimony to stand unchallenged."

DAY'S CITY TESTIMONY WAS BASED ON ACTUAL SALES OF CONEY ISLAND LAND.

Day's sworn valuation of \$449,225.76 was shown to have been based on sales of real estate in Coney Island from Fifth street to Sea Gate and lying between Surf avenue and the ocean. This included the Dreamland tract. Regarding Day's testimony, the Polk brief sets forth the following:

"The attorneys for the property owners did cross-examine

Day. The result of this cross-examination was that Day demonstrated by sales, by leases and by all other facts obtainable that had a bearing upon the value of property at Coney Island that the valuations testified to by him are just and fair and represent the fair and reasonable market value of this property, considering it in its most favorable light." The three witnesses for the City testified that the Surf avenue frontage, which was not included in the park, had a value four times greater than the land taken by the City.

PYLE, THE FIRST REYNOLDS EXPERT, HAD MADE ONLY TWO SALES OF PROPERTY IN CONEY ISLAND IN TEN YEARS.

Pyle, the first witness for Reynolds, was shown to have made only two sales of property in Coney Island, one ten years and the other two years, before his testimony. It was also shown that he had made no previous appraisals on the ocean or anywhere in the amusement section of Coney Island. Notwithstanding these facts, he swore that the part of the Dreamland property being taken by the City was worth \$1,426,000.

WILLIAM M. CALDER, AT PRESENT UNITED STATES SENATOR, WAS NAMED BY GREVE AS AN OFFICER OF THE REALTY ASSOCIATES, THE BROOKLYN CORPORATION WHICH HAS FINANCIALLY ASSISTED REYNOLDS IN HIS LAND DEALS WITH THE CITY.

Greve, who testified that Dreamland had a value of \$1,252,908, was cross-examined regarding business affiliations with Reynolds, Frank Bailey and others either directly or indirectly interested with Reynolds in land deals with the city.

The following extracts from Greve's testimony indicates the extent of his business affiliations with the group of Brooklyn land speculators in which Reynolds, Bailey and Greve himself are the principals:

Q. Are you connected with any real estate companies or corporation: here in Brooklyn?

A. Several. I am second vice-president of the Realty Associates; president of Greve & Co.; vice-president of the Neponsit Realty Company; president of the Rockaway Point Company; secretary and treasurer of the Parkway Baths Company, and some other corporations whose business is not particularly real estate. I have been connected with the Realty Associates about twelve years.

Greve was asked how long Frank Bailey and others had been on the Board of Directors of the Realty Associates, and replied:

"I couldn't tell you; most all have been on—William M. Calder is one—most of them except Mr. Calder have been on a long while."

GREVE SHOWED A BUSINESS CONNECTION BETWEEN HIMSELF AND RAE, THE REYNOLDS APPRAISER HIRED BY COMPTROLLER PRENDERGAST.

Greve revealed a business connection between himself and William P. Rae, the Reynolds appraiser hired by Comptroller Prendergast to appraise Dreamland for the City. On this point Greve testified as follows:

"I made a loan for the Realty Associates on property adjoining Sea Gate, now owned by a corporation controlled, I think, by William P. Rae. I purchased a second mortgage on behalf of the Realty Associates and also made a first mortgage there."

Greve, furthermore, was forced to admit that he had owned Dreamland bonds, and that he was a stockholder in the Long Beach Estates, of which Reynolds is president. In this connection the Polk brief for the City states the following:

"Mr. Greve is a stockholder of the Long Beach Estates. He was the owner of some of the Dreamland bonds, which are secured by the \$750,000 mortgage.

"He testified that he had sold these bonds, but could not tell the date of the sale or the party to whom he sold them.

"THIS RECORD SHOWS THAT HE WAS ASKED AT THREE DIFFERENT HEARINGS WHETHER HE HAD ASCERTAINED THE DATE THAT HE DISPOSED OF THESE DREAMLAND BONDS AND TO WHOM HE HAD SOLD THEM. AND HIS ANSWER WAS ALWAYS THAT HE DID NOT KNOW THE DATE OR THE NAME OF THE PERSON."

GREVE THROUGH A "DUMMY" HOLDS AN INDIRECT INTEREST IN THE DREAMLAND PROCEEDINGS.

Another admission forced from Greve was that a "dummy" for himself, or for a company of which he was part owner, held a claim for damage in the Dreamland proceedings. In this regard the Polk brief states the following:

"Mr. Greve is part owner of the leasehold from Gertrude Stratton to Catherine Murphy, and also part owner of the Twenty in One Amusement Company, which had an assignment of the lease from Catherine Murphy, who was a dummy for Greve, as the record shows. Either Catherine Murphy or the Twenty in One Amusement Company is the claimant in this proceeding for an award for damage by reason of the acquisition of Damage Parcels Nos. 1 and 2 (the Dreamland parcels)."

Despite all these revelations, Greve was permitted to give detailed testimony on Dreamland values, and Reynolds' lawyers based arguments on his testimony in favor of a large award. An estimate of the real merit of Greve's testimony is shown by the fact that he valued Dreamland \$238,300 over and above the award, which the Supreme Court set aside as "largely excessive."

On April 5, 1915, the Commissioners made the award of \$1,-014,602.32. As their oaths of office had been filed on March 14, 1912, it had taken them more than three years to arrive at this decision. This protracted delay not only meant the piling of interest charges on the City, but additional expense in fees to the Commissioners.

On October 15, 1915, an order of the Supreme Court of Kings County was filed in the office of the County Clerk, Kings County, confirming the award. The order was signed by Justice Blackmar, the same justice who confirmed the great award on Rock-away Park. The order was appealed by Corporation Counsel Polk.

**FOUR SUPREME COURT JUSTICES FOUND THAT
THERE HAD BEEN AN AGITATION FOR THE
CITY TO BUY DREAMLAND, AND THAT
REYNOLDS WAS MUCH INTERESTED
IN ADVANCING THE PROJECT.**

On March 17, 1916, Justices Jenks, Thomas, Mills and Rich, in the Appellate Division of the Supreme Court, reversed the finding of Justice Blackmar. The opinion setting aside the award was written by Justice Mills, and was, in part, as follows:

"I am very strongly impressed that the purchase by or for the Dreamland Corporation in 1903 or 1904 was at the then full value of the land; and the evidence warrants no conclusion that there was thereafter any such increase in value as indicated by this award.

"It seems evident that after the fire in May, 1911, which almost totally destroyed the structures upon Dreamland, so that that corporation collected some \$375,000 insurance, and, in October, 1912, still had \$25,000 more of it due, agitation soon began for the taking of these parcels by the City for a public park.

"Mr. Reynolds, president of Dreamland, evidently was much interested in advancing the project."

**THE FOUR JUSTICES WERE STRONG IN THE OPINION
THE AWARD WAS "LARGELY EXCESSIVE,"
BUT REYNOLDS CONTINUES TO DRAW
HIS 6 PER CENT. INTEREST.**

Finally, the justice stated that it was his "strong opinion" that the award for Dreamland was "largely excessive," and the other justices concurring in this opinion, the award was set aside.

Justice Carr was the sole member of the court who did not concur in the ruling opinion.

The justices on April 7, 1916, appointed William C. Beecher, Thomas O. Callender and Arthur S. Somers as new commissioners. The Commissioners took their oaths of office on May 15, 1916.

At the end of a year this new commission has not heard all of Reynolds' witnesses and has not heard one witness for the City.

Day by day, however, the 6 per cent. interest piles up in Reynolds' favor.

**END OF
TITLE**